

Potential Impact of The Oil and Gas Sections of HB 136 on Local School District Property Taxes - FY 2011

02/08/11

Minimum Impact in FY 2011				
Classes of Property	Taxable Value with a Tax Increase	Percent of Taxable Value with a Tax Increase	Amount of Tax Increase	Percent of Taxes owed that increase
Centrally Assessed	92,422,575	18.3%	2,060,821	1.4%
Commercial	15,056,003	4.8%	207,973	0.2%
Residential	48,603,772	4.5%	680,927	0.2%
Ag & Timberland	61,778,058	38.6%	1,267,631	2.6%
Other, Mostly Business Equipment	42,982,317	18.1%	1,702,098	2.4%
All Classes	260,842,725	11.4%	5,919,450	0.8%
93 district combinations of elementary and high school incur a tax increase.				
Assumes 90% of Oil and Gas to State				
Districts retain fund balance reappropriated at FY 2011 levels				

Maximum Impact in FY 2011				
Classes of Property	Taxable Value with a Tax Increase	Percent of Taxable Value with a Tax Increase	Amount of Tax Increase	Percent of Taxes owed that increase
Centrally Assessed	143,983,721	28.5%	16,432,789	11.5%
Commercial	26,767,719	8.5%	1,826,789	1.7%
Residential	90,820,751	8.4%	6,032,684	1.7%
Ag & Timberland	92,111,346	57.5%	9,225,267	19.1%
Other, Mostly Business Equipment	76,929,656	32.5%	8,069,733	11.2%
All Classes	430,613,193	18.8%	41,587,262	5.8%
140 district combinations of elementary and high school incur a tax increase.				
Assumes 90% of Oil and Gas to State				
Districts do not retain fund balance reappropriated at FY 2011 levels				

**Impact of HB 136 on State General Fund and State Special Funds****General Fund**

	FY 2012	FY 2013
Inflation of Basic and Per-ANB Entitlement, 1.93% in FY 12, and 1.53% in FY 13	(10,499,556)	(19,084,786)
Site Rentals (Streambed rents) in the guarantee account in the 2013 biennium. (95% to Guarantee - 5% to School Land Trust)	4,026,042	4,106,320
General Fund Cost Savings from switching the quality educator payment to the Teach Montana Fund	38,339,823	38,339,823
General Fund Cost Savings from switching the debt service payment to the school facility and technology account	8,586,000	8,586,000
GTB Impact in Districts that lose oil and gas revenue	(764,000)	(764,000)
Grants to High school alternative energy projects appropriation	(5,000,000)	-
Appropriation to DOR for programming changes	(300,000)	-
Net Impact on Ending Fund Balance in the General Fund	<u>34,388,308</u>	<u>31,183,357</u>

Teach Montana

Revenue for the Teach Montana Fund - Redistribute 90 percent of Oil and Gas receipts of school districts	36,345,071	35,775,654
Cost of Quality educator	(38,339,823)	(38,339,823)
Cost of Inflation applied to Quality Educator	-	(592,359)
Shortage in Teach Montana Account	<u>(1,994,751)</u>	<u>(3,156,528)</u>

School Facility and Technology Account

Loss of Power Site revenue to the SFT	(4,026,042)	(4,106,320)
School Facility Payment	(8,586,000)	(8,586,000)
Net Impact on ending fund balance in School Facility and Technology Account	(12,612,042)	(12,692,320)